

Complete Policy Title:

Policy on Perquisites

Policy Number (if applicable):

Approved by:

**Human Resources Committee of the
Board of Governors**

Date of Most Recent Approval:

August 2, 2011

Date of Original Approval(s):

August 2, 2011

Supersedes/Amends Policy dated:

Responsible Executive:

Chief Human Resources Officer

Enquiries:

[University Secretariat](#)

***DISCLAIMER:** If there is a Discrepancy between this electronic policy and the written copy held by the policy owner, the written copy prevails*

PURPOSE

This policy on Perquisites has been established to cause McMaster University to be in compliance with the Broader Public Sector (BPS) Perquisites Directive, which applies to the University under the *Broader Public Sector Accountability Act, 2010*.

POLICY EFFECTIVE DATE

The effective date of this policy is August 2, 2011.

APPLICATION

This policy applies to members of the Board of Governors, to members of the Senate, and to employees of McMaster University. This policy does not apply to any payments made or benefits provided under any collective bargaining agreement.

DEFINITIONS

For the purposes of this policy:

1. "Perquisite" means a privilege:
 - That is provided to an individual or to a group of individuals to whom this policy applies; and
 - That provides a personal benefit; and
 - That is not generally available to others.
2. "Permitted Perquisite" means a Perquisite that is related to the business requirements of the University and is required for the effective performance of the recipient's job.
3. "Disallowed Perquisite" means a Perquisite that is not related to the business requirements of the University or that is not required for the effective performance of the recipient's job. Examples of Disallowed Perquisites are:
 - Club memberships for personal recreation or socializing purposes, such as fitness clubs, golf clubs or social clubs
 - Seasons tickets to cultural or sporting events other than those sponsored or provided by the University.
 - Clothing allowances not related to health and safety or special job requirements
 - Access to private health clinics and medical services outside those provided by the provincial health care system or by the employer's group insured benefit plans
 - Professional advisory services for personal matters, such as tax or estate planning

POLICY STATEMENT

McMaster University provides Perquisites in limited and exceptional circumstances where the Perquisite provides a business-related benefit to the University and is required for the effective performance of the recipient's job. The following principles will apply to the provision of Perquisites:

1. This policy applies to the provision of Perquisites by any means, including:
 - a. An offer of employment letter, as a promise of a benefit;
 - b. An employment contract;
 - c. The direct provision of a benefit; or
 - d. A reimbursement of an expense
2. Disallowed Perquisites:
 - a. Disallowed Perquisites will not be provided for in any contract or other agreement of employment entered into by the University after the effective date of this policy.
 - b. A Disallowed Perquisite will be provided after the effective date of this policy only if:
 - i. Provision of the Disallowed Perquisite is provided for in a contract or other agreement of employment entered into by the University prior to the effective date of this policy; and
 - ii. the Vice-President, Administration, determines that:
 1. failure to provide the Disallowed Perquisite would be a violation of that contract or other agreement of employment; and
 2. the Disallowed Perquisite will be provided using only the proceeds of a gift or gifts made to the University by a donor or donors who has or who have explicitly acknowledged that the gift or gifts may be used to provide that Disallowed Perquisite or Disallowed Perquisites in general; and
 - iii. the Vice-President, Administration so advises the President; and
 - iv. the President concurs with the conclusions of the Vice-President, Administration, save that if the Disallowed Perquisite benefits the President, the Chair of the Board of Governors shall be asked to review the determination of the Vice-President (Administration) in place of the President
 - c. The President or the Chair of the Board of Governors, as appropriate, shall promptly report to the Human Resources Committee of the Board of Governors each instance in which a Disallowed Perquisite is provided by the University and each instance in which a Disallowed Perquisite is not provided in violation of a contract of employment or other binding agreement entered into by the University prior to the effective date of this policy.
3. Permitted Perquisites:
 - a. Permitted Perquisites will be subject to the rules of the University applicable generally to the provision of services or the reimbursement of expenses.

EXCLUSIONS

The following are not Perquisites and their provision is not governed by this Policy:

- Benefits provided pursuant to any collective bargaining agreement to which the University is a party
- Insured benefits
- Items generally available on a non-discriminatory basis for all or most employees of the University (e.g., Employee Assistance Program, pension plans)
- Health and safety requirements (e.g., provision of work boots)
- Employment accommodations made for human rights and/or accessibility considerations
- Expenses covered under the University's rules on travel, meals, and hospitality

ACCOUNTABILITY AND GOVERNANCE

Human Resources Services should be consulted if there is a question regarding whether a benefit is subject to the provisions of this policy or the implementation of this policy generally.

Perquisites are permitted only in accordance with this Policy and their provision must also comply with any other applicable University Policy or Policies. For example, a Perquisite which involves a contract of executive employment may be approved only in accordance with the signing authority provisions established for Executive Employment Contracts (contained in Appendix E of the By-laws of the Board of Governors, section IV),.

In addition, the approval of any Disallowed Perquisite must be reported to the Human Resources Committee of the Board of Governors.

RECORD-KEEPING AND COMPLIANCE REPORTING

The University will keep appropriate records of Perquisites for verification, audit, and compliance reporting purposes. A report detailing Perquisites provided by the University will be prepared on an annual basis and will be provided to the Human Resources Committee of the Board of Governors. Participants in the development of the report may include Human Resources Services, Financial Services and Accounts Payable. The schedule of reporting will be determined by Human Resources Services to ensure compliance with reporting requirements.

PUBLICATION OF SUMMARY INFORMATION

Summary information about Perquisites will be made publicly available not less frequently than annually. Personal information will not be provided.

IMPACT ON EXISTING EMPLOYMENT CONTRACTS

To the extent required by the BPS Perquisites Directive, this policy supersedes the provisions of contracts or other agreements of employment already entered into and binding upon the University. Contracts existing on the effective date of this Policy will be observed and complied with to the maximum extent possible consistent with the Directive and this Policy.